

# FISCAL NOTE

## SB 1387 - HB 1039

February 26, 1997

**SUMMARY OF BILL:** Requires public pension plans to honor qualified domestic relations orders and will require TCRS to establish conditions and procedures for honoring claims under domestic relations orders. The conditions and procedures for honoring claims under a domestic relations order must be established on or before July 1, 1997.

### ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$65,000 Recurring  
\$600,000 One-Time  
Increase Local Govt. Expenditures\* - Exceeds \$100,000

#### Estimate assumes:

- Two positions established in the Retirement Division for additional operational expenses
- Computer programming changes relative to the active and retired member base
- Costs attributable to accounting for and processing Qualified Domestic Relations Orders (QDRO)
- Costs include designing and drafting relevant plan provisions, reviewing and responding to each QDRO submitted, monitoring accounts that need to be protected from withdrawals while the order is being reviewed and processing distribution to alternate payees
- Costs to local governments which operate their own pension plans

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director